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C O N F I D E N T I A L SECTION 01 OF 03 QUEBEC 000013

SIPDIS

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TAGS: <u>PGOV PREL CA ECON</u>
SUBJECT: QUEBECKERS SAY "YES" TO CANADA

CLASSIFIED BY: Abigail Friedman, Consul General, Quebec City,

State.

REASON: 1.4 (b), (d)

11. (c) Summary: In perhaps one of the biggest surprises of the election, Stephen Harper's Conservative Party picked up ten seats in Quebec, up from zero. While the Conservatives managed to grab votes from both the Liberals and the Bloc Quebecois, it is the Bloc that will have the most soul-searching to do in the weeks and months ahead. Gilles Duceppe set two goals for his party going into the election - to garner fifty percent of the vote and to increase the number of seats held by the Bloc. His party fell short on both counts and is now on the defensive. Many voters simply do not agree with the Bloc's claim that it is the only party that can defend the interests of Quebeckers, and proved willing to give the Conservatives a chance. If Stephen Harper can deliver on his promises (especially on reducing the fiscal imbalance and lowering taxes), then the Conservatives stand a chance of broadening their Quebec base in the years ahead. If they fail, expect a backlash in Quebec, both from a reinvigorated Bloc and a reconstituted Liberal party. End summary.

Bloc Quebecois: Losing Out

- 12. (c) The results in Quebec of the recent election are a setback for the Bloc and its leader Gilles Duceppe. The Bloc failed to reach the 50 percent target Duceppe set for his party at the beginning of the federal election campaign, dropping instead nearly 7 percentage points to finish the race with only 42 percent of the popular vote. Duceppe had hoped to increase the number of seats held by his party, but lost three seats, to finish with 51 out of 75 parliamentary seats. Most worrisome for the Bloc, is that it lost eight seats to the Conservative party and was only able to limit the damage by picking up five seats from the discredited Liberals, largely in the Montreal area, where the federal vote appears to have split between Liberals and Conservatives. To give readers a historical perspective, since the advent of the Bloc in 1993, the Conservatives have never been able to pick up more than 5 seats in Ouebec.
- 13. (c) The Bloc's failure to capitalize on the demise of the Liberals, and the resurgent appeal of the Conservatives, is sure to be the stuff of political talk shows in the days ahead and Quebec politics in the months to come. For now, it is enough to note that the Bloc erred in running a campaign (until the very last days) purely against the Liberals and Liberal party corruption, underestimating the possibility that the Conservatives might make inroads in Quebec. The Bloc also erred in running a campaign with he theme "We are the ones who defend Quebec interests," underestimating the possibility that Quebeckers might, in fact, believe that other parties, including those who could actually form a government in Ottawa, are better placed to defend the interests of Quebec in Ottawa. (The Conservatives obtained nearly 25 percent of the vote in Quebec, up from 9 percent in 2004; the Liberals dropped from 34 percent to 21 percent; the NDP was up three points, to 8 percent; and the Greens were up nearly one point, to 4 percent.)
- 14. (c) During the course of the campaign, both Stephen Harper and center-right Quebec Democratic Action (ADQ) party leader Mario Dumont attacked the Bloc as being a party with "no possibility of governing the country and which confines Quebec to political isolation." This limitation of the Bloc appears to have resonated with at least some voters. Voters in Jonquiere, for example, a north central region of Quebec with high unemployment, shifted from the Bloc to Conservative in good part, according to political pundits, because of the attractiveness of having a representative who might be in government, perhaps even a member of the cabinet (the winning candidate, Jean-Pierre Blackburn, is a former Conservative MP under Mulroney and was parliamentary secretary to the Minister of National Defence). The Conservative candidate in the Beauce region, Maxime Bernier, is the son of a popular Conservative MP under Mulroney. Other voters in Quebec whose district went to the Conservatives said they wanted the Liberals out of power and understood that a vote for the Bloc would not make this happen. In sum, voters in the now blue regions of Quebec proved to be strategic voters, interested above all in exercising influence in Ottawa.
- 15. (c) The Bloc is now on the defensive, and in the days ahead,

it will have to prove to voters either that it can "defend Quebec interests" by working with the Harper government or by showing that the Harper government is as incapable of meeting the needs of Quebeckers as the recently fallen Martin government. Asked which path the Bloc will take, one Quebec editorial writer told CG that the Bloc will be "condemned to work with the Conservative government." (An assessment shared by editorial writers in several Montreal and Quebec City newspapers.) The Bloc has argued for years against the Liberal government's centralizing power in Ottawa and the fiscal imbalance. It cannot now turn around and obstruct Conservative efforts to address the problem. At the same time, our interlocutor noted that while working with the Conservatives on this issue, the Bloc is likely to denounce the Harper government on peripheral issues, from social policies (same-sex marriage, abortion) to Kyoto Protocol.

Conservatives: Building an Organization in Quebec from Scratch

- 16. (c) "Condemned" to work with the Conservatives is an apt characterization of the Bloc's position, as the Conservatives' ability to deliver on priority issues for Quebec (fiscal imbalance, tax reduction, child-care assistance, reduced health care wait times) will help the Conservatives increase their strength in Quebec at the expense of the Bloc (which is still by far the number one federal party in Quebec). Voter expectations are high in Quebec, particularly in the new Conservative districts that spurned the Bloc. Quebeckers will be watching to see how many Quebec MPs are in the Cabinet, whether the Conservatives deliver on campaign promises, and how "moderate" a minority Harper government will be on social issues. Quebec voters appreciated Stephen Harper's conciliatory words, his outstretched hand, and his respect for Quebeckers. Now, they are waiting to see if he is "for real."
- 17. (c) For the Conservatives to consolidate their gains in Quebec, they will need not only to deliver on campaign promises but also to build a stronger political organization in Quebec. Unlike the Bloc, which has the Parti Quebecois organization working on its behalf, and the Liberals, which (in more ordinary times) had the Liberal Party of Quebec spreading the liberal message, the Conservatives have no Province-wide organization to speak of. Mario Dumont's right-of-center ADQ, with only five members in the Quebec National Assembly, is in no way comparable in strength to either the PQ or the PLQ. We expect that building up a party infrastructure will be one of the Conservative Party's top agenda items in Quebec.

Liberals Down But not Out

18. (c) With electoral gains not just in the west, but deep in francophone Quebec, the Conservatives have emerged as a viable alternative to the Liberals as a truly national party. The Liberal Party is particularly discredited in Quebec because much of the corruption it was accused of took place in this province. But while the Liberals may be down in Quebec, it would be a mistake to write them off. As a Laval University professor put it to CG, the Liberals will choose a new leader, clean house, and begin to work at winning back the confidence of Quebeckers. The Liberal party's stance on a number of social issues is more to the left than that of the Conservative party, and consistent with the views of many Quebeckers. Perhaps for this reason, political analysts seem to believe that time is of the essence for Harper. A failure on the part of the Conservatives to "deliver" on its promises early on, coupled with a renewed Liberal party leadership, would bring at least some Quebec voters (particularly in the anglophone commnty) back into the Liberal fold.

Quebec Premier Jean Charest: Happy Days are Here Again

- 19. (c) Stephen Harper can count on one political figure in Quebec to be committed to working with the new government: Quebec Premier Jean Charest. After years of PM Martin's "scorched earth" approach to Quebec, Jean Charest (a former leader of the Conservative Party) finally has a leader in Ottawa who shares his vision of federal-provincial relations and of U.S.-Canada relations, and who understands that working in tandem with Quebec is more likely to keep Canada whole than will efforts to dominate it. Both Harper and Charest know that the next election on the horizon of importance to Canada is the Quebec provincial election, which Charest could call as early as spring 2007. Both leaders have every interest in a Charest victory, as this will put off any talk of another Quebec referendum for several years. Harper's working with Charest to bring results for Quebec both will help Harper in advance of the next federal election, (by showing that he can "manage" the Quebec portfolio), and it will help Charest (by showing that Charest, and not the PQ, can deliver for Quebec).
- 110. (c) Areas where the Quebec government will be looking for progress from the federal government include: addressing the fiscal imbalance; federal funding (with no strings attached) for

day-care; getting back to the negotiating table on softwood lumber; federal aid for higher education; and support for a greater international role for Quebec. (This last may be tricky for the Harper government as what Quebec wants - a more independent role internationally - is opposed by other Canadian provinces.)

## Separatism

 $\underline{\P}$ 11. (c) One issue strikingly absent from the election campaign in Quebec was the sovereignty question. While the Bloc Quebecois website features prominently the party's commitment to Quebec independence, the Bloc understands that this is not an issue that will bring the Bloc the widest possible voter support. The sovereignty issue was so muted during the campaign that one journalist told CG that when he interviewed Duceppe, he pressed him as to whether sovereignty remained a top priority for the Bloc. Duceppe insisted that it was, but the matter stands that the Bloc has chosen to win votes by selling itself as the party that can "defend Quebec interests" rather than as the party that can bring independence to Quebec. Immediately following the election, of course, the sovereignty issue returned, with both the Bloc and the Parti Quebecois fending off questions from journalists as to whether the drop in Bloc support during this election makes a referendum less likely in the event of a PQ victory in the next provincial election. leader Andre Boisclair denied that it would, asserting instead that his party would work with Conservative sovereigntists to win a referendum. (Note: Boisclair told CG only a few weeks ago that if the PQ wins the next provincial election, he would not waste time putting into place various government programs, but would aim for a referendum within six months of taking office. The present election results suggest that Boisclair may need to reconsider his timetable. End note.)

## Conclusion

(c) The recent federal election has shown that, contrary to popular myth, Quebeckers are not focused primarily on the sovereignty question. Quebeckers proved willing to vote sovereignty question. Quebeckers proved willing to vecc strategically. Fifteen out of seventy-five ridings switched allegiance. The Conservatives, up from zero seats only a year and a half ago, came out first in ten ridings, and second in forty ridings. Despite protestations to the contrary from Gilles Duceppe and Andre Boisclair, the two pro-sovereignty leaders, the outcome of the current election has put a damper on their efforts to move toward another referendum on sovereignty. A healthy majority of Quebeckers voted for federalist candidates over the Bloc, suggesting that Quebeckers want in and that they are saying "yes" to Canada. Harper has every reason to feel buoyant about the results in Quebec. Quebeckers are now counting on the Conservatives to deliver on their campaign promises. FRIEDMAN